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BRATISLAVA 00000460 001.3 OF 003

SUMMARY

1. (U) Within the SMER (Direction)-led coalition government, Minister of Culture Marek Madaric has spearheaded an unprecedentedly prolific legislative agenda for the Ministry of Culture, introducing and passing eight laws during his tenure. Several of the laws, including the "press law" (ref: Bratislava 176) and the "language law," (ref: Bratislava 320) have attracted significant international attention and attest to Madaric's strength within SMER and political ambitions. Other laws have received less attention but are critical to the future of public (state?) media in Slovakia and to understanding SMER's strategy to control public information and to ensure that the right people benefit in the process. Although Madaric is the public face of these changes, the driving force behind them is PM Fico's oft-stated belief that the media acts as part of the opposition and his antiquated view (seemingly shared by most GOS officials) that the media is a tool of the state, not an independent source of information for the public. End Summary.

AN UNLIKELY POWER MINISTRY: CULTURE

2. (U) The Slovak Ministry of Culture is tasked with coordinating government media policy. The media department and the legislative department are responsible for drafting all laws concerning the media environment. Natasa Slavikova, Director of the Media Department, proudly told us that the Ministry has prepared eight media acts that were passed in the Slovak National Council since this government came to power, dwarfing the efforts of previous governments. Slavikova attributes this to Minister Marek Madaric, who plays a very important and active role in this process, and enjoys a powerful position in the coalition. Madaric normally appears at PM Fico's right hand during public events and while many would argue that Deputy Prime Minister and Minister of Interior Robert Kalinak may be more powerful within the SMER party few would dispute that Madaric is personally closer to Fico. Slavikova stressed that the ministry has focused on important issues in the media field which were not previously covered by legislation (such as the Audiovisual Fund Act) or where valid legislation existed from a previous regime (such as the Press Act). Critics would argue that Madaric's ministry is waging a full assault on western standards of media freedom reminiscent of the communist era. A long time associate of Madaric says of him "he's a little bit nationalist and a lot fascist."

3. (U) All three public media outlets in Slovakia (TV-STV, Radio-SRO, Wire-TASR) are rooted in Communist Czechoslovak media institutions which were transformed into Slovak public entities after the Czech/Slovak split. The institutions still suffer from institutional hangovers regarding the division of resources and technology. All three institutions receive state funding and have political nominees at their head. All three are obliged by

law "to provide information as a public service to citizens." As is the case all over Europe, the debate continues on the proper balance of state funding versus state interference for public media.

¶4. (U) Two pieces of newly passed legislation will have a large impact on the financing of public media in Slovakia. The first is the act on broadcast fees. Public media in Slovakia have three sources of income; a broadcast tax for public service, advertising, and direct state budget support through the Culture Ministry. The act on broadcast fees introduces new rules for the collection of the broadcast tax for public service. The new rules pass the responsibility for paying the broadcast tax to individual citizens, who should pay these fees in conjunction with their electricity bill. Agency heads bemoan the fact that many households were exempted from the tax (pensioners for example) and accountability is impossible so many Slovaks do not pay the tax whether due to intentional avoidance or ignorance.

¶5. (U) The second law of note for public media financing is the so-called "audiovisual law." Among a broad swath of issues related to film, multimedia, and artistic competencies in Slovakia, there are provisions that officially limit the amount of advertising time that public media institutions can offer. In the case of Slovak Radio, the limit is 3% of broadcast time, and in the case of Slovak Television, the limit is 2.5% of broadcast time not to exceed 8 minutes per hour. The rationale for these decisions can be debated, but the impact is clear: less advertising time equals less revenue. With two of their three primary revenue streams hobbled SRO and STV are left to rely upon their third stream, the Ministry of Culture, to stay alive.

#### POLITICS IN PUBLIC MEDIA

¶6. (U) This budget shift occurred as Madaric began implementing new amendments to existing laws governing the relationship

BRATISLAVA 00000460 002.3 OF 003

between the state and public media. Madaric charged his people to negotiate new terms of direct budget support for STV and SRO. The "negotiation" has been overseen by the respective television and radio councils; which are both 15 member bodies appointed by Parliament for four year terms on a rolling basis. (Note: the newest member of the STV council voted through Parliament is Peter Kubica, a regional spokesman for SNS, a member of "Matica Slovenska" (a nationalist cultural organization), and a poet known for his ballads to Jozef Tiso, leader of the WWII fascist Slovak Republic. Madaric justifies the need for a new mechanism citing long standing fiscal problems of public media institutions and the dearth of Slovak heritage/language material produced in television and film today in Slovakia. By tying public monies directly to programming priorities the ministry can control what kind of new programming is undertaken (and who gets the contracts to produce it). The monies cannot be used for news services, only original entertainment and educational programming. STV has signed on the dotted line and will receive some 10 million euros in programming funds next year alone. SRO has refused to conclude the negotiations in what has become a public spat between SRO's director and Minister Madaric himself. The crux of the dispute is deciding who determines the priority allocation of public funds to SRO. SRO Director Zemkova believes that SRO's critical needs are in technical modernization whereas Minister Madaric, who spearheads SMER's efforts to attract SNS's nationalist voters, believes more resources need to be allocated to Slovak cultural programming.

¶7. (U) Several recent incidents at STV illustrate that political interference in programming is alive and well at Slovak television. For example, STV director Stephan Niznansky recently banned the broadcasting of an investigative report on so-called "social enterprises." The STV report was a critical story about a social enterprise subsidized by the Labor Ministry to the tune of EUR 3.3 million. According to Katarina Zackova, the director of the program that was scheduled for broadcast,

Niznansky's stance was not motivated by ties to the political forces that were to be exposed or because the scandal was so large (to the contrary, most viewers would hardly blink at such small potatoes corruption in Slovakia these days) but because he did not want the story to be broken at STV. He is reinforcing the perception that hard, investigative journalism will not be welcome at STV. After the story of the attempted censorship broke in the press, Niznansky backed down and the program was aired. Niznansky was later quoted as saying that the producers had better learn who the director was, or he would have to seek remedy in the labor code.

18. (U) Niznansky is a former Communist party member with close ties to ruling coalition minority party HZDS leader and former Prime Minister Meciar. He has been quoted as saying that "there was no censorship of media during communist times in Slovakia." Irrespective of his personal politics and editorial approach, no one can envy him his current position. Years of mismanagement have put STV deep into the red, and without state monies the enterprise would quickly become insolvent. This cripples its ability to create any new programming and further alienates its audience. One-time influxes of cash from the privatization of STV physical resources (primarily land) stemmed the tide for some years but the cannibalization and cuts appear complete, and what is left is an uncompetitive television network deep in debt. Niznansky had little choice but to sign the ministry's deal with the devil.

19. (U) By contrast, Slovak Radio is widely respected as one of the most reliable news organizations in Slovakia. It operates six channels of which only one, Radio Slovakia International, is funded by state subsidy. It has relied heavily on the broadcast tax (80% of budget) to cover its operational expenses and hence has greater political autonomy. Due to the decrease in revenue the director of SRO, Miloslava Zemkova, has chosen to cut staff and programming rather than "go into debt and increase our political dependence." Zemkova was appointed to a four year term under a SRO Council that was dominated by the previous Dzurinda government. She will likely pay for her perceived political insubordination to the current administration as insiders report she stands little chance of surviving the next meeting of the now SMER coalition dominated Council. The council has the authority to appoint and dismiss the SRO director. It would appear that by turning the financial screws on "public" media in Slovakia the current Culture Minister is forcing its dependence on the "state."

AND MONEY TO BE MADE

10. (U) Madaric has also announced a plan to co-locate all three public media institutions in one mega complex in Bratislava. While theoretically sensible on a cost basis the oft repeated rumor in Bratislava is that the real motivation is a high stakes real estate swap. The story goes that the second largest commercial broadcaster in Slovakia, TV JoJ, would receive a cut

BRATISLAVA 00000460 003.3 OF 003

rate deal on STV's current studios allowing them to vacate their studios on the exclusive Koliba hill in Bratislava. JoJ is owned by the financial group J&T, long believed to be the major money behind SMER. Their studios just happen to be adjacent to the old Slovak national film studios which were sold in a shady privatization deal to the children of Vladimir Meciar. If, by coincidence, Meciar's kids could also get their hands on TV JoJ's current studios, they would have a huge parcel of land available for development in one of Bratislava's most desirable locations. Coincidentally, the airing of an STV investigative documentary on the privatization of the Slovak national film studios was recently postponed due to "scheduling conflicts."

COMMENT

11. (U) Self-proclaimed "shadow Culture Minister," opposition parliamentarian Magdalena Vasaryova of SDKU, claims that SMER

(particularly PM Fico) believes the government of authoritarian former Prime Minister Meciar was brought down by the Slovak media and wants to be well insulated against any attack from that front. She told us that this fear underpins Fico's and Madaric's efforts to nationalize public media, as well as their campaign to vilify the media in general. We tend to agree, and expect such efforts to intensify in this election year. These tendencies, coupled with a rise in corruption, cronyism and nationalism, are creating a perfect storm that threatens the independence of media in Slovakia.

EDDINS